

Barker Brettell

Intellectual Property

Barker Brettell Services Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2017



Company Registration Number 7995323

Barker Brettell Services Limited
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Directors

Priscilla Makovski
John Lawrence
Andrew Tranter

Registered number

7995323

Registered office

100 Hagley Road
Edgbaston
Birmingham
B16 8QQ

Auditors

RSM UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Bankers

HSBC
Birmingham Corporate Centre
6th Floor
120 Edmund Street
Birmingham
B3 2QZ

Solicitors

Pinsent Masons LLP
3 Colmore Circus
Birmingham
B4 6BH

The directors submit their report and audited accounts of the company for the year ended 31 March 2017.

Principal activity and future developments

The principal activity of the company is the provision of professional client and support services to related party entities. The training and development of staff is of paramount importance to ensure that efficient and professional standards are maintained. This is ongoing and will continue in the future in order to allow the company to maintain its high standard of services in the future.

Directors

The directors who served during the year were as follows:

Priscilla Makovski
John Lawrence
Andrew Tranter

Business review

The results are presented for the year to 31 March 2017. All services are recharged at cost, thus the company does not make a profit or loss and it is not expected to do in the future. The key performance indicators, therefore, are turnover and cash flow, both of which are satisfactory.

Staff numbers have increased during the year in order to improve the volume and quality of services and the intention is to continue with further growth as the demand for services increases.

Holding company

The company is a wholly owned subsidiary of Barker Brettell Limited Liability Partnership.

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

A resolution to reappoint RSM UK Audit LLP, as auditors will be put to the members at the annual general meeting.

Barker Brettell Services Limited
DIRECTORS' REPORT

These accounts have been prepared in accordance with the provisions applicable to companies entitled to small company exemptions.

By order of the board

A handwritten signature in black ink, appearing to read 'P. Makovski'.

Priscilla Makovski
5 September 2017

Barker Brettell Services Limited
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion on financial statements

We have audited the financial statements on pages 8 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Barker Brettell Services Limited
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARKER BRETTCELL SERVICES
LIMITED

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

MICHAEL HUGGINS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

5 September 2017

Barker Brettell Services Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2017

	<i>Notes</i>	2017 £	2016 £
Turnover	4	5,196,238	5,005,402
Staff costs	6	(4,996,451)	(4,797,942)
Other operating expenses		(199,787)	(207,460)
		<hr/>	<hr/>
Operating profit		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	5	-	-
Tax on profit on ordinary activities	7	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation and for the financial year and total comprehensive income for the year		-	-
Retained profits brought forward		-	-
		<hr/>	<hr/>
Retained profits carried forward		-	-
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There are no recognised gains or losses other than the result for the financial year.

	Notes	2017 £	2016 £
Current assets			
Debtors	8	467,459	497,744
Cash at bank and in hand		5,651	6,552
		<u>473,110</u>	<u>504,296</u>
Creditors: amounts falling due within one year	9	(473,010)	(504,196)
		<u>100</u>	<u>100</u>
Net current assets			
		<u>100</u>	<u>100</u>
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		-	-
		<u>100</u>	<u>100</u>
Shareholder's funds	11	<u>100</u>	<u>100</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 16 were approved by the board of directors and authorised for issue on 5 September 2017 and are signed on its behalf by:



Priscilla Makovski
Director

1. Entity information

The company is limited by shares and was incorporated in England and Wales (registration number 7995323). Its registered office is at:

100 Hagley Road
Edgbaston
Birmingham
B16 8QQ

The company's principal activity is the provision of professional client and support services to related party entities.

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures'
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, detail of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As there is no material uncertainty, therefore, the company continues to adopt the going concern basis in preparing its financial statements.

3. Principal accounting policies

3.1 Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be

required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

At 31 March 2017 it was not necessary to make any provisions (2016: £nil).

3.2 Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

3.3 Turnover

Turnover represents the total invoice value of services performed during the year, excluding Value Added Tax.

3.4 Statement of cash flows

The company has taken advantage of the small company exemption from preparing a statement of cash flows in accordance with FRS 102.

3.5 Pension costs

The company operates a group personal pension scheme for its employees, excluding directors. Contributions are made by both the employee and the company. An individual's fund is invested and used to purchase an annuity on retirement. The company's contributions are charged to the profit and loss account on an accruals basis.

3.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

3.7 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

4. Turnover

The company's turnover was all derived from its principal activity and wholly within the United Kingdom.

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual accounts	2,100	2,050
Fees payable to the company's auditor and its associates for taxation services:	2,345	2,660
	<u> </u>	<u> </u>

6. Directors and employees

Staff costs during the year were:

	2017 £	2016 £
Wages and salaries	4,369,185	4,201,798
Social security costs	447,040	427,546
Other pension costs	180,226	168,598
	<u> </u>	<u> </u>
	4,996,451	4,797,942
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme where assets are held separately from those of the company in a separately administered fund. The pension cost charge includes contributions payable by the group and amounted to £168,573 (2016: £157,955). There were no contributions outstanding at the year end (2016: £nil).

The average number of persons (excluding directors) employed during the year was:

	2017 Number	2016 Number
Professional	38	34
Direct support	50	51
Indirect support	28	26
	<u> </u>	<u> </u>
	116	111
	<u> </u>	<u> </u>

The directors do not draw any remuneration.

7. Tax on profit on ordinary activities

	2017 £	2016 £
Current tax:		
UK corporation tax on ordinary activities at the rate applicable to small companies of 20% (2016: 20%)	-	-
Adjustments to prior years	-	(5,146)
	<u>-</u>	<u>(5,146)</u>
Current tax (credit)/charge	-	(5,146)
	<u>-</u>	<u>(5,146)</u>
Deferred tax:		
Origination and reversal of timing differences	-	4,631
Effect of tax rate change on opening balance	-	515
	<u>-</u>	<u>5,146</u>
Deferred tax charge/(credit)	-	5,146
	<u>-</u>	<u>5,146</u>
Total tax on profit on ordinary activities	-	-
	<u>-</u>	<u>-</u>

8. Debtors

	2017 £	2016 £
Amount due from parent undertaking	116,438	120,009
Prepayments and accrued income	345,875	372,589
Corporation tax	5,146	5,146
	<u>467,459</u>	<u>497,744</u>
All amounts were due within one year.		

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	881	11,378
Social security and other taxes	115,727	109,438
Amount owed to parent undertaking	10,296	10,296
Accruals and deferred income	346,106	373,084
	<u>473,010</u>	<u>504,196</u>

Accruals and deferred income includes £29,356 in respect of accrued leave pay (2016: £35,778).

10. Called up share capital

	2017 <i>Number of shares</i>	2016 <i>Number of shares</i>
Authorised: ordinary shares of £1 each – equity	100	100
	<u> </u>	<u> </u>
Allotted, issued and fully paid: ordinary shares of £1 each – equity	100	100
	<u> </u>	<u> </u>

11. Reconciliation of movement in shareholder's funds

	2017 £	2016 £
At 31 March 2016	100	100
Profit for the year	-	-
At 31 March 2017	<u>100</u>	<u>100</u>

12. Parent undertaking and ultimate controlling party

The company is a wholly owned subsidiary of Barker Brettell Limited Liability Partnership, a partnership incorporated and registered in England and Wales. The directors consider Barker Brettell Limited Liability Partnership to be the ultimate controlling party. Its registered address is:

100 Hagley Road
Edgbaston
Birmingham
B16 8QQ

The consolidated financial statements of Barker Brettell Limited Liability Partnership can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

13. Related party transactions

The company has taken advantage of the exemptions conferred by FRS 102 not to disclose transactions with group companies, on the grounds that it is a 100% owned subsidiary of a parent undertaking for whom consolidated financial statements including Barker Brettell Services Limited are available.

14. VAT contingent liability

Under a group registration for VAT, a liability may arise if the parent defaults in making payment. At the balance sheet date, the amount of VAT outstanding was £345,000 (2016: £336,000).